

1966

ANNUAL REPORT

OF

The Belt Railway Company
of **CHICAGO**

FOR THE

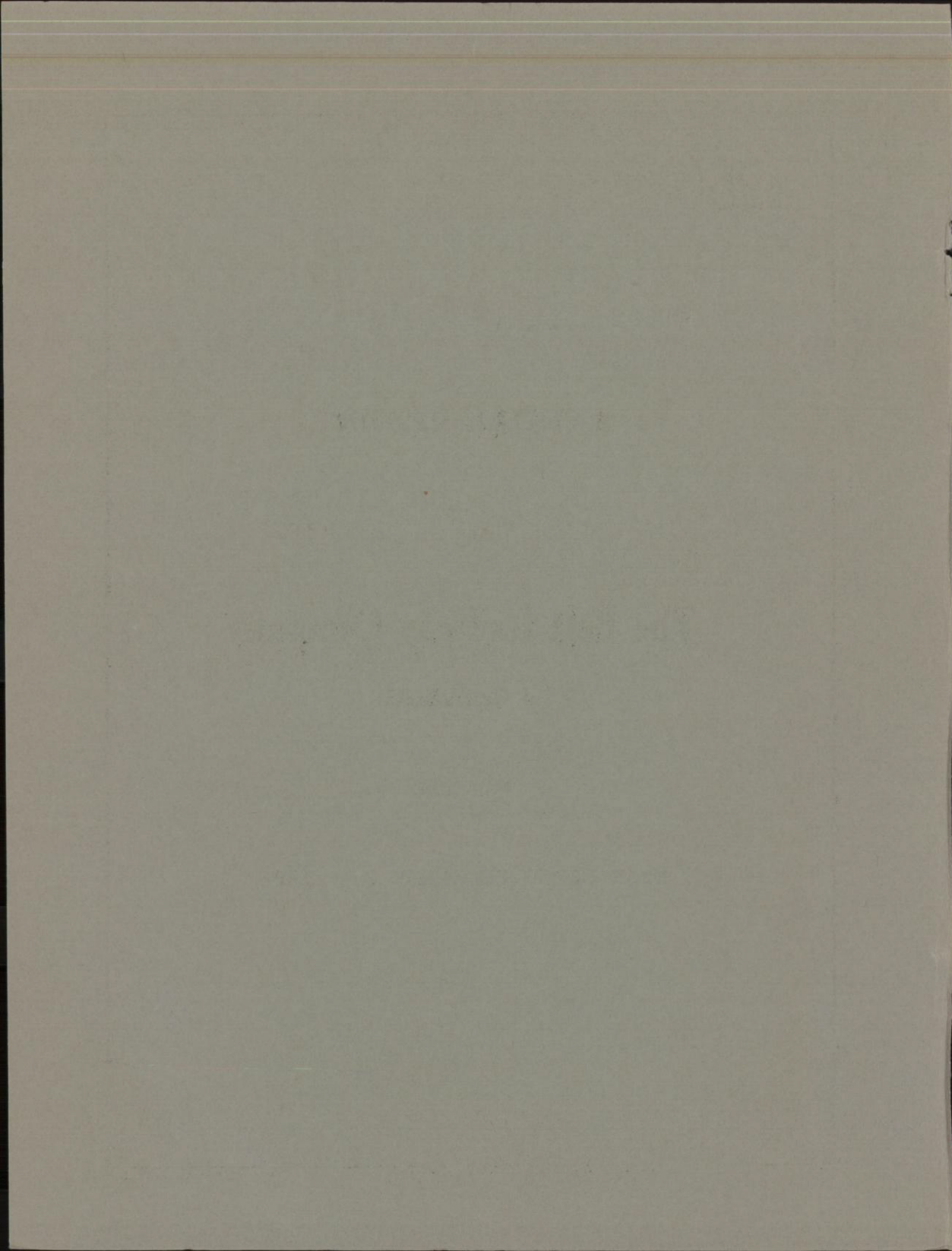
YEAR ENDED DECEMBER 31, 1966

BOARDS

MRB

652.0973

B 419 a



General Offices
6900 South Central Avenue
Chicago, Illinois 60638

ORGANIZATION
DIRECTORS

J. C. DAVIS, The Atchison, Topeka and Santa Fe Railway Co.Chicago, Ill.
C. V. COWAN, The Chesapeake and Ohio Railway Co.Cleveland, O.
D. O. MATHEWS, Chicago & Eastern Illinois Railroad Co.Chicago, Ill.
W. N. ERNZEN, Chicago, Burlington & Quincy Railroad Co.Chicago, Ill.
W. J. DIXON, Chicago, Rock Island and Pacific Railroad Co.Chicago, Ill.
G. W. MAXWELL, Erie Lackawanna Railroad Co.Cleveland, O.
J. W. DEMCOE, Grand Trunk Western Railroad Co.Detroit, Mich.
O. H. ZIMMERMAN, Illinois Central Railroad Co.Chicago, Ill.
H. J. BUCHMAN, Monon RailroadNew York, N. Y.
W. S. CLEMENT, Norfolk and Western Railway Co.St. Louis, Mo.
H. C. KOHOUT, The Pennsylvania Railroad Co.Chicago, Ill.
J. D. BOND, Soo Line Railroad Co.Minneapolis, Minn.

Changes during period between Annual Reports:

THE ATCHISON, TOPEKA AND SANTA FE RAILWAY COMPANY

Mr. J. C. Davis elected February 14, 1967 succeeding Mr. J. S. Reed, resigned.

CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY

Mr. J. B. Buffalo elected January 11, 1966 succeeding Mr. G. W. Kelly, resigned.

Mr. W. J. Dixon elected December 14, 1966 succeeding Mr. J. B. Buffalo, resigned.

ERIE LACKAWANNA RAILROAD COMPANY

Mr. G. W. Maxwell elected August 9, 1966 succeeding Mr. M. G. McInnes, resigned.

GRAND TRUNK WESTERN RAILROAD COMPANY

Mr. J. W. Demcoe elected February 14, 1967 succeeding Mr. H. A. Sanders, resigned.

NORFOLK AND WESTERN RAILWAY COMPANY

Mr. W. S. Clement elected December 14, 1966 succeeding Mr. J. A. Barrett, resigned.

EXECUTIVE COMMITTEE

W. N. Ernzen, Chairman

J. D. Bond
H. C. Kohout

D. O. Mathews
O. H. Zimmerman

OFFICERS

President and General Manager L. A. EVANS
Vice President and Assistant General Manager D. R. TURNER
Secretary and Treasurer J. R. EKHOLM
General Counsel R. F. KOPROSKE
Auditor C. L. HOLT
Assistant Secretary and Assistant Treasurer C. J. SOKEL
Assistant Auditor W. J. CASSIDY

ANNUAL MEETING
SECOND TUESDAY IN APRIL

GENERAL REMARKS

Chicago, April 11, 1967

To the Stockholders of
The Belt Railway Company of Chicago

The Board of Directors herewith submits its report of operations for the year ended December 31, 1966.

OPERATING REVENUES:

Total operating revenues for the year were \$15,134,525 compared with \$14,697,792 in 1965, an increase of \$436,733 or 3.0 per cent, attributable to an increase of 17,848 or 4.2 per cent, in intermediate cars handled, and an increase in intermediate switching charges from \$13.17 to \$14.50 per loaded car other than perishable freight and from \$6.59 to \$7.25 per empty car. Local loaded cars handled decreased 7,975 or 2.8 per cent, however, the average revenue per car increased 95 cents, or 2.9 per cent. Direct deliveries by owner lines and other connections increased 62,791 cars, or 10.3 per cent.

OPERATING EXPENSES:

Total gross operating expenses in 1966 were \$12,893,348 compared with \$12,522,810 in 1965, an increase of \$370,538 or 3.0 per cent; higher wage rates amounted to \$157,257. Operating ratio of 69.22 compares with 69.13 in 1965.

MAINTENANCE OF WAY AND STRUCTURES:

Gross Maintenance of Way and Structures expense increased \$286,590 or 15.7 per cent; that portion chargeable to Belt Railway Separate Operation increased \$143,279 or 10.7 per cent, compared with the previous year, reflecting increases principally in accounts, "Bridges, Trestles, and Culverts" and "Track Laying and Surfacing" due to increasing vertical clearance at 79th Street and 87th Street overhead bridges, "Station and Office Buildings" due to installation of new pneumatic tube system to east and west Clearing yards from Clearing central agency office, and "Signals and Interlockers" due to replacement of 72, 12-inch car retarder cylinders with 14½-inch cylinders in intermediate retarders "A" and "B" yards, Clearing.

The decrease of \$45,166 in account "Removing Snow, Ice, and Sand" reflects less severe winter weather conditions in 1966. Higher wage rates amounted to \$25,322. Operating ratio of 9.79 compares with 9.11 in 1965.

Rail replacements in 1966 were 918 gross tons of new and 778 gross tons of secondhand rail, compared with renewal of 517 gross tons of new and 1,377 gross tons of secondhand rail in 1965.

There were 7,281 crossties and 148,927 feet B.M. switch ties installed during the year, compared with 6,043 crossties and 102,935 feet B.M. switch ties placed in 1965.

MAINTENANCE OF EQUIPMENT:

Gross Maintenance of Equipment expense increased \$33,047 or 2.2 per cent; that portion chargeable to Belt Railway Separate Operation increased \$43,524 or 3.4 per cent. This additional expense includes increases of \$19,995 and \$17,968 respectively, in accounts "Other Locomotives - Repairs" and "Freight-train Cars - Repairs," principally due to heavier material replacements. Higher wage rates amounted to \$16,583. Account "Injuries to Persons" decreased \$19,669. Operating ratio of 8.71 compares with 8.67 in 1965.

TRANSPORTATION:

Gross Transportation expense increased \$42,059 or .5 per cent; that portion chargeable to Belt Railway Separate Operation increased \$122,331 or 1.8 per cent. Higher wage rates increased Transportation expense \$96,486. Operating ratio of 45.54 compares with 46.07 in 1965.

GENERAL:

Gross General expense increased \$9,236 or .9 per cent; that portion chargeable to Belt Railway Separate Operation increased \$6,610 or .9 per cent. Higher wage rates amounted to \$18,866.

RAILWAY TAX ACCRUALS:

Increase of \$98,255 is due principally to increase in Railroad Retirement tax and tax effective November 1, 1966 incident employer-financed annuities supplemental to regular retirement benefits under the Railroad Retirement Act.

JOINT FACILITY RENT INCOME:

Decrease of \$863,079 is due to increase in Belt Railway Company net related terminal income applied to reduce owner lines' working expenses, less increase in owner lines' proportion of rentals and taxes.

The total net related terminal income from Belt Railway Separate Operation for the year 1966 was \$1,788,047 and was applied to reduce pro tanto the amount of "working expenses" payable by each of the owner lines for 1966.

MISCELLANEOUS INCOME:

Increase of \$65,890 is due principally to acquisition at discount of Belt Railway First Mortgage bonds, series "A", for the sinking fund.

HIRE OF FREIGHT CARS:

Decrease of \$624,322 or 46.0 per cent, reflects principally a decrease in per diem cars handled and reclaim credit allowance through General Managers' Association of Chicago terminal arbitrary refund retroactive to January 1, 1965.

WAGE AND LABOR AGREEMENTS:

National Issues

The labor situation during the year was generally satisfactory. All crafts served notices for wage increases and benefits, resulting in National handling. Settlements were effected with the trainmen and firemen on November 8 and 21, respectively, increasing basic daily rates five per cent retroactive to August 12 and reducing years required for a third week's vacation from fifteen to ten. The rates of pay will remain in effect at least through 1967. No wage agreement was reached with the engineers' organization at the close of the year. The demands of the non-operating crafts could not become effective before January 1, 1967.

On August 23 and 24 the union heads and the chairman of the National Railway Labor Conference signed an agreement for the railroads and the unions to sponsor jointly an amendment to the Railroad Retirement Act that would dispose of the supplemental pension issue for five years. On October 30, President Johnson signed the supplemental pension bill which provided persons retiring after July 1, 1966 an increase in pensions of \$45.00 to \$70.00 a month, based on service.

Local Issues

On January 5, 1966, by a Special Board award the Belt Railway obtained the right to work 55 more assignments with a consist of a conductor and one helper. At the time this award was received we were working 44 per cent of our assignments with two-men ground crews. At the close of the year over 77 per cent of the assignments were two-men ground crews.

The dispute with the engineers' organization over the question of the use of radio was disposed of for the calendar year of 1966 by a temporary agreement. This agreement has been extended on a month-to-month basis thus far in 1967.

NEW DIESEL LOCOMOTIVES:

On December 14, 1965 the Board authorized the purchase of three 2400 H.P. diesel locomotives which were placed in service in May 1966, retiring three 1500 H.P. locomotives.

On December 14, 1966 the Board authorized the purchase of one 1500 H.P. diesel locomotive for delivery in June 1967, retiring one 1500 H.P. locomotive.

CHICAGO REGIONAL PORT AUTHORITY:

On November 14, 1966 the United States Supreme Court upheld the Orders of the Interstate Commerce Commission authorizing applicant railroads, including the Belt Railway, to extend their tracks to offer direct services to the Chicago Regional Port District and overruled the Statutory 3-Judge United States

District Court for the Northern District of Ohio, Eastern Division, which had vacated the Orders of the Interstate Commerce Commission.

RAIL TO WATER TRANSFER OPERATION:

Rail to Water transfer operation commenced March 21 and ended December 15, 1966. In 1965 the season started April 5 and terminated December 11. Coal tonnage handled over the facility during 1966 totaled 7,492,348 compared with 6,975,800 tons in the previous year, an increase of 516,548 tons, or 7.4 per cent. Unit coal train handling of lake cargo consignments, introduced for the first time in 1964, constituted 97.4 per cent of the total tonnage handled during 1966.

OPERATING AGREEMENT:

By Order of the Appellate Division of the Interstate Commerce Commission issued May 9, 1966 our new Operating Agreement made as of September 1, 1962 was approved as submitted.

The new Operating Agreement was amended by agreement dated October 1, 1966 and the new Operating Agreement, as amended, became effective January 1, 1967.

ADDITIONS AND BETTERMENTS:

Additions and Betterments are indicated in detail on pages 10 and 11.

NEW INDUSTRIES:

During the year fourteen new industries were located and nine vacated, compared with fourteen located and seventeen vacated in 1965.

Detailed statements of the accounts of the company will be found in the following tables.

The Board again records appreciation of the cooperation and contributions of the employees and managerial staff during the year.

Respectfully submitted by order of the Board of Directors.

L. A. EVANS
President and General Manager

INCOME STATEMENT

For the Year ended December 31, 1966, compared with the
Year ended December 31, 1965

	1966	1965	Increase or (Decrease)
RAILWAY OPERATING REVENUES:			
Intermediate switching	\$ 5,057,903	\$ 4,720,445	\$ 337,458
Local switching	9,224,654	9,225,688	(1,034)
Demurrage	740,757	635,999	104,758
Rents of buildings and other property	1,032	1,032	-
Miscellaneous	110,176	114,761	(4,585)
Joint facility - cr.	3	1	2
Joint facility - dr.	-	134	134
Total railway operating revenues	\$15,134,525	\$14,697,792	\$ 436,733
RAILWAY OPERATING EXPENSES:			
Maintenance of way and structures	\$ 1,481,345	\$ 1,338,066	\$ 143,279
Maintenance of equipment	1,318,383	1,274,859	43,524
Traffic	5,511	5,794	(283)
Transportation-Rail line	6,893,028	6,770,697	122,331
General	777,190	770,580	6,610
Total railway operating expenses	\$10,475,457	\$10,159,996	\$ 315,461
Net revenue from railway operations	\$ 4,659,068	\$ 4,537,796	\$ 121,272
Operating ratio	69.22	69.13	.09
RAILWAY TAX ACCRUALS:			
General property	\$ 527,335	\$ 517,403	\$ 9,932
Federal income	-	(6,400)	6,400
Retirement	599,630	515,532	84,098
Unemployment	227,569	235,126	(7,557)
Other	15,143	9,761	5,382
Total railway tax accruals	\$ 1,369,677	\$ 1,271,422	\$ 98,255
Railway operating income	\$ 3,289,391	\$ 3,266,374	\$ 23,017
RENT INCOME:			
Rent from locomotives	\$ 33,785	\$ 28,781	\$ 5,004
Rent from work equipment	5,584	3,042	2,542
Joint facility rent income	(970,681)	(107,602)	(863,079)
Total rent income	\$ (931,312)	\$ (75,779)	\$ (855,533)
RENTS PAYABLE:			
Hire of freight cars-Debit balance	\$ 732,962	\$ 1,357,284	\$ (624,322)
Rent for work equipment	68	267	(199)
Joint facility rents	134,588	156,895	(22,307)
Total rents payable	\$ 867,618	\$ 1,514,446	\$ (646,828)
Net rents	\$ (1,798,930)	\$ (1,590,225)	\$ (208,705)
Net railway operating income	\$ 1,490,461	\$ 1,676,149	\$ (185,688)

INCOME STATEMENT - CONCLUDED

For the Year ended December 31, 1966, compared with the
Year ended December 31, 1965

	1966	1965	Increase or (Decrease)
OTHER INCOME:			
Income from lease of road and equipment	\$ 40,280	\$ 39,985	\$ 295
Miscellaneous rent income	162,139	151,377	10,762
Income from non-operating property	21,094	22,114	(1,020)
Interest income	70,356	58,279	12,077
Income from sinking and other reserve funds	12,528	3,266	9,262
Miscellaneous income	112,447	46,557	65,890
Total other income	\$ 418,844	\$ 321,578	\$ 97,266
Total income	\$1,909,305	\$1,997,727	\$ (88,422)
MISCELLANEOUS DEDUCTIONS FROM INCOME:			
Miscellaneous rents	\$ 746	\$ 1,645	\$ (899)
Miscellaneous tax accruals	67,784	70,208	(2,424)
Miscellaneous income charges	21,334	15,897	5,437
Total miscellaneous deductions	\$ 89,864	\$ 87,750	\$ 2,114
Income available for fixed charges	\$1,819,441	\$1,909,977	\$ (90,536)
FIXED CHARGES:			
Rent for leased roads and equipment	\$ 81,627	\$ 67,138	\$ 14,489
Interest on funded debt	1,742,919	1,733,092	9,827
Amortization of discount on funded debt ...	6,739	12,160	(5,421)
Total fixed charges	\$1,831,285	\$1,812,390	\$ 18,895
Income after fixed charges	\$Dr. 11,844	\$ 97,587	\$ 109,431)

RETAINED INCOME-UNAPPROPRIATED

To December 31, 1966

Credit balance at beginning of year	\$487,105
Additions	
Federal income taxes assigned to retained income	22,137
Total	\$509,242
Deductions	
Debit balance transferred from income	\$ 11,844
Credit balance December 31, 1966	\$497,398

COMPARATIVE GENERAL BALANCE SHEET

ASSETS

	December 31, 1966	December 31, 1965	Increase or (Decrease)
CURRENT ASSETS:			
Cash	\$ 31,698	\$ 27,559	\$ 4,139
Temporary cash investments	1,842,165	2,857,784	(1,015,619)
Special deposits	2,034	416	1,618
Traffic and car-service balances-Dr..	547,751	309,888	237,863
Net balances receivable from agents and conductors	83,383	42,887	40,496
Miscellaneous accounts receivable ...	883,223	814,861	68,362
Interest and dividends receivable ...	222	162	60
Accrued accounts receivable	700,486	574,090	126,396
Working fund advances	1,086	1,138	(52)
Prepayments	58,914	55,752	3,162
Material and supplies	591,836	508,804	83,032
Total current assets	\$ 4,742,798	\$ 5,193,341	\$ (450,543)
SPECIAL FUNDS:			
Sinking funds	\$ -	\$ 1,016	\$ (1,016)
Capital and other reserve funds	262,346	309,302	(46,956)
Insurance and other funds	11,592	11,468	124
Total special funds	\$ 273,938	\$ 321,786	\$ (47,848)
PROPERTIES:			
Road (See pages 10 and 11)	\$36,163,579	\$35,999,770	\$ 163,809
Equipment (See pages 11 and 18)	7,334,299	7,204,449	129,850
Construction work in progress	25,378	93,891	(68,513)
Improvements on leased property	28,671	28,151	520
Total transportation property	\$43,551,927	\$43,326,261	\$ 225,666
Accrued depreciation - Road and equipment	(6,011,282)	(6,027,695)	(16,413)
Total transportation property less recorded depreciation and amortization	\$37,540,645	\$37,298,566	\$ 242,079
Miscellaneous physical property	1,281,252	1,281,252	-
Total properties less recorded depreciation and amortization ...	\$38,821,897	\$38,579,818	\$ 242,079
OTHER ASSETS AND DEFERRED CHARGES:			
Other assets	\$ 425	\$ 425	\$ -
Unamortized discount on long term debt	108,009	114,749	(6,740)
Other deferred charges	215,986	113,950	102,036
Total other assets and deferred charges	\$ 324,420	\$ 229,124	\$ 95,296
Total assets	\$44,163,053	\$44,324,069	\$ (161,016)

DECEMBER 31, 1966 AND DECEMBER 31, 1965
LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1966	December 31, 1965	Increase or (Decrease)
CURRENT LIABILITIES:			
Audited accounts and wages payable ...	\$ 2,217,254	\$ 1,186,933	\$ 1,030,321
Miscellaneous accounts payable	142,267	184,321	(42,054)
Interest matured unpaid	2,034	416	1,618
Unmatured interest accrued	584,113	607,376	(23,263)
Accrued accounts payable	111,970	72,624	39,346
Federal income taxes accrued	-	190,143	(190,143)
Other taxes accrued	741,945	718,337	23,608
Other current liabilities	28,442	14,660	13,782
Total current liabilities	\$ 3,828,025	\$ 2,974,810	\$ 853,215
LONG-TERM DEBT:			
First Mortgage 4-5/8% Sinking Fund Bonds, Series A, due August 15, 1987	\$33,525,000	\$35,015,000	\$ (1,490,000)
Equipment obligations	475,000	-	475,000
Amounts payable to affiliated companies	2,235,000	2,235,000	-
Total long-term debt	\$36,235,000	\$37,250,000	\$ (1,015,000)
OTHER LIABILITIES AND DEFERRED CREDITS:			
Other liabilities	\$ 95,077	\$ 88,537	\$ 6,540
Other deferred credits	397,553	413,617	(16,064)
Total other liabilities and deferred credits	\$ 492,630	\$ 502,154	\$ (9,524)
SHAREHOLDERS' EQUITY:			
Capital stock issued.....\$3,120,000 Less held by or for company 240,000 (A)	\$ 2,880,000	\$ 2,880,000	\$ -
Capital surplus:			
Paid-in surplus	230,000	230,000	-
Retained income - unappropriated	497,398	487,105	10,293
Total shareholders' equity	\$ 3,607,398	\$ 3,597,105	\$ 10,293
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$44,163,053	\$44,324,069	\$ (161,016)

(A) Owned one-twelfth each - AT&SF, C&O, C&EI, CB&Q, CRI&P, Erie Lackawanna, GTW, IC, Monon, N&W, Penn., Soo Line.

ROAD AND EQUIPMENT PROPERTY

	Balance	1966		Balance
	December 31, 1965	Additions & Betterments	Retire- ments	December 31, 1966
ROAD				
Engineering	\$ 958,609	\$ 535	\$ 4,655	\$ 954,489
Land for transportation purposes ..	6,936,446	-	27,465	6,908,981
Grading	6,196,706	-	-	6,196,706
Bridges, trestles and culverts	2,727,861	-	-	2,727,861
Ties	1,448,729	127	-	1,448,856
Rails	3,529,372	12,606	-	3,541,978
Other track material	2,854,333	13,141	-	2,867,474
Ballast	818,075	1,070	-	819,145
Track laying and surfacing	1,443,595	1,547	-	1,445,142
Fences, snowsheds and signs	7,254	-	-	7,254
Station and office buildings	1,243,763	116,286	-	1,360,049
Roadway buildings	93,783	625	-	94,408
Water stations	79,894	-	-	79,894
Fuel stations	90,825	-	-	90,825
Shops and engine houses	932,649	1,753	1,986	932,416
Wharves and docks	56,850	-	-	56,850
Communication systems	144,445	67,698	-	212,143
Signals and interlockers	1,998,903	35,658	3,114	2,031,447
Power plants	87,020	-	12,363	74,657
Power-transmission systems	154,213	-	-	154,213
Miscellaneous structures	93,208	157	-	93,365
Roadway machines	330,948	70,926	-	401,874
Carried forward	\$32,227,481	\$322,129	\$49,583	\$32,500,027

ROAD AND EQUIPMENT PROPERTY - CONCLUDED

	Balance December 31, 1965	1966		Balance December 31, 1966
		Additions & Betterments	Retire- ments	
ROAD Brought forward	\$32,227,481	\$322,129	\$ 49,583	\$32,500,027
Roadway small tools	19,200	-	-	19,200
Public improvements - construction	985,814	-	-	985,814
Other expenditures - Road	524	-	-	524
Shop machinery	269,863	3,324	835	272,352
Power plant machinery	482,903	1,476	102,923	381,456
General expenditures Accounts 71, & 77	263,186	-	1,284	261,902
Interest during construction	1,750,799	-	8,495	1,742,304
Total Road	\$35,999,770	\$326,929	\$163,120	\$36,163,579
EQUIPMENT				
Other locomotives	\$ 6,704,105	\$529,281	\$414,304	\$ 6,819,082
Freight-train cars	247,931	-	-	247,931
Work equipment	125,528	114	-	125,642
Miscellaneous equipment	126,885	26,510	11,751	141,644
Total Equipment	\$ 7,204,449	\$555,905	\$426,055	\$ 7,334,299
TOTAL	\$43,204,219	\$882,834	\$589,175	\$43,497,878

FUNDED DEBT

For the Year Ended December 31, 1966

First Mortgage Bonds issued

August 15, 1962 due August 15,
1987 Bankers Trust Company,
New York, Trustee

Total Amount authorized \$75,000,000

Total Issued August 15, 1962-\$37,250,000

4-5/8% Sinking Fund Bonds Series

"A" due August 15, 1987

For purchase of property formerly
leased from Chicago and Western

Indiana Railroad Company August 15, 1962 \$36,662,852

Proceeds expended for financing expenses also for

additions and betterments subsequent to August 15, 1962 587,148

Total Issued \$37,250,000

Less: Redeemed and cancelled 3,725,000

Total Outstanding at December 31, 1966 \$33,525,000

OPERATING EXPENSES

For the Year ended December 31, 1966, compared with the
Year ended December 31, 1965

	1966	1965	Increase or (Decrease)
MAINTENANCE OF WAY AND STRUCTURES:			
Superintendence	\$ 162,257	\$ 158,974	\$ 3,283
Roadway maintenance	134,828	106,588	28,240
Bridges, trestles, and culverts	85,424	11,093	74,331
Ties	77,157	48,797	28,360
Rails	93,062	113,657	(20,595)
Other track material	132,188	96,210	35,978
Ballast	45,875	12,706	33,169
Track laying and surfacing	393,806	337,673	56,133
Fences, snowsheds, and signs	2,800	7,047	(4,247)
Station and office buildings	109,457	62,262	47,195
Roadway buildings	13,122	7,810	5,312
Water stations	934	2,557	(1,623)
Fuel stations	588	273	315
Shops and enginehouses	33,879	48,433	(14,554)
Wharves and docks			
Communication systems	44,162	52,972	(8,810)
Signals and interlockers	244,121	189,888	54,233
Power plants	18,097	7,856	10,241
Power-transmission systems	185	126	59
Miscellaneous structures	9,993	6,192	3,801
Road property - Depreciation (Leased) ..	139	139	-
Road property - Depreciation (Owned) ..	211,701	205,903	5,798
Retirements - Road	9,778	7,314	2,464
Roadway machines	20,813	19,056	1,757
Dismantling retired road property	268	1,328	(1,060)
Small tools and supplies	34,249	28,709	5,540
Removing snow, ice, and sand	53,494	98,660	(45,166)
Public improvements - Maintenance	27,815	25,922	1,893
Injuries to persons	25,752	20,432	5,320
Insurance	24,902	22,375	2,527
Stationery and printing	3,596	3,207	389
Employees health and welfare benefits ..	44,520	38,142	6,378
Right-of-way expenses	121	312	(191)
Maintaining joint tracks, yards and other facilities - Dr.	57,136	86,710	(29,574)
Other expenses	643	949	(306)
Gross total	\$2,116,862	\$1,830,272	\$ 286,590
Maintaining joint tracks, yards and other facilities - Cr.	635,517	492,206	143,311
Net - Belt Railway - Separate operation	\$1,481,345	\$1,338,066	\$ 143,279
Ratio to operating revenues	9.79	9.11	.68

OPERATING EXPENSES - CONTINUED

For the Year ended December 31, 1966, compared with the
Year ended December 31, 1965

	1966	1965	Increase or (Decrease)
MAINTENANCE OF EQUIPMENT:			
Superintendence	\$ 66,628	\$ 64,885	\$ 1,743
Shop machinery	5,756	4,846	910
Power-plant machinery	26,407	26,821	(414)
Shop and power plant machinery - Depreciation (Owned)	15,810	16,056	(246)
Dismantling ret. shop & power plant machinery	255	-	255
Other locomotives - Repairs	586,481	566,486	19,995
Freight-train cars - Repairs	284,581	266,613	17,968
Work equipment - Repairs	7,945	9,617	(1,672)
Miscellaneous equipment - Repairs	15,205	15,852	(647)
Dismantling retired equipment (Owned).	4,404	369	4,035
Equipment - Depreciation (Owned)	292,398	285,910	6,488
Injuries to persons	27,890	47,559	(19,669)
Insurance	31,774	28,310	3,464
Stationery and printing	3,378	3,150	228
Employees health and welfare benefits.	31,212	28,096	3,116
Joint maintenance of equipment expensee - Dr.	115,779	118,652	(2,873)
Other expenses	1,573	1,207	366
Gross total	\$1,517,476	\$1,484,429	\$ 33,047
Joint maintenance of equipment expenses - Cr.	199,093	209,570	(10,477)
Net - Belt Railway - Separate operation	\$1,318,383	\$1,274,859	\$ 43,524
Ratio to operating revenues	8.71	8.67	.04
TRAFFIC:			
Superintendence	\$ 1	\$ -	\$ 1
Outside agencies			
Advertising	3,261	3,642	(381)
Stationery and printing	2,871	2,879	(8)
Employees health and welfare benefits.	130	135	(5)
Other expenses	-	1	(1)
Gross total	\$ 6,263	\$ 6,657	\$ (394)
Charged to Owner Line operation	752	863	(111)
Net - Belt Railway - Separate operation	\$ 5,511	\$ 5,794	\$ (283)
Ratio to operating revenues	.04	.04	-

OPERATING EXPENSES - CONTINUED

For the Year ended December 31, 1966, compared with the
Year ended December 31, 1965

	1966	1965	Increase or (Decrease)
TRANSPORTATION - RAIL LINE:			
Superintendence	\$ 278,258	\$ 277,502	\$ 756
Dispatching trains	80,841	80,901	(60)
Station employees	717,677	760,279	(42,602)
Weighing, inspection, and demurrage bureaus	4,516	4,502	14
Station supplies and expenses	31,950	30,604	1,346
Yardmasters and yard clerks	594,316	552,721	41,595
Yard conductors and brakemen	2,272,522	2,357,719	(85,197)
Yard switch and signal tenders	423,009	407,070	15,939
Yard enginemen	1,484,486	1,403,841	80,645
Yard switching fuel	304,426	280,482	23,944
Water for yard locomotives	2,901	3,372	(471)
Lubricants for yard locomotives	42,069	34,543	7,526
Other supplies for yard locomotives ..	35,007	32,609	2,398
Enginehouse expense - Yard	203,790	194,773	9,017
Yard supplies and expenses	624,651	604,530	20,121
Crossing protection	3,781	4,109	(328)
Communication system operation	27,251	24,538	2,713
Employees health and welfare benefits.	247,421	243,954	3,467
Stationery and printing	48,432	52,085	(3,653)
Other expenses	2,890	9,247	(6,357)
Insurance	35,180	27,572	7,608
Clearing wrecks	45,491	36,919	8,572
Damage to property	45,282	22,443	22,839
Loss and damage - Freight	114,238	164,126	(49,888)
Injuries to persons	122,316	109,774	12,542
Operating joint yards and terminals - Dr.	461,384	491,811	(30,427)
Gross total	\$8,254,085	\$8,212,026	\$ 42,059
Operating joint yards and terminals - Cr.	1,361,057	1,441,329	(80,272)
Net - Belt Railway - Separate operation	\$6,893,028	\$6,770,697	\$ 122,331
Ratio to operating revenues	45.54	46.07	(.53)

OPERATING EXPENSES - CONCLUDED

For the Year ended December 31, 1966, compared with the
Year ended December 31, 1965

	1966	1965	Increase or (Decrease)
GENERAL:			
Salaries and expenses of general officers	\$ 222,080	\$ 205,526	\$ 16,554
Salaries and expenses of clerks and attendants	471,902	435,982	35,920
General office supplies and expenses	79,414	85,472	(6,058)
Law expenses	67,756	70,967	(3,211)
Insurance	2,191	2,323	(132)
Employees health and welfare benefits	23,816	19,298	4,518
Pensions	64,762	51,198	13,564
Stationery and printing	31,563	34,593	(3,030)
Other expenses	29,112	77,403	(48,291)
General joint facilities - Dr.	6,066	6,664	(598)
Gross total	\$ 998,662	\$ 989,426	\$ 9,236
General joint facilities - Cr.	221,472	218,846	2,626
Net - Belt Railway - Separate operation	\$ 777,190	\$ 770,580	\$ 6,610
Ratio to operating revenues	5.14	5.24	(.10)
Total gross	\$12,893,348	\$12,522,810	\$370,538
Total deductions	2,417,891	2,362,814	55,077
Total operating expenses - Belt Railway - Separate operation	\$10,475,457	\$10,159,996	\$315,461
Ratio to operating revenues	69.22	69.13	.09
Operating revenue per car	\$ 15.743	\$ 15.224	\$.519
Operating expense per car	\$ 10.896	\$ 10.524	\$.373

CARS HANDLED

Cars Handled by The Belt Railway Company of Chicago in its "Separate Operations"	1966		1965		Increase or (Decrease) Percent
	Number	Percent	Number	Percent	
INTERCHANGE:					
Loaded cars	256,325	26.66	251,157	26.02	2.06
Empty cars	186,403	19.39	173,723	17.99	7.30
LOCAL:					
Loaded cars	273,581	28.46	281,556	29.16	(2.83)
Empty cars	245,057	25.49	258,992	26.83	(5.38)
Total	961,366	100.00	965,428	100.00	(.42)
TOTAL:					
Loaded cars	529,906	55.12	532,713	55.18	(.53)
Empty cars	431,460	44.88	432,715	44.82	(.29)
Total	961,366	100.00	965,428	100.00	(.42)
Cars interchanged directly between Owner Roads at Clearing and other yards, being handled by The Belt Railway through those yards	361,572		381,208		(5.15)
Cars handled by Owner Lines in direct movement over Belt Railway Co. of Chicago	669,908		607,117		10.34
Total cars handled	1,992,846		1,953,753		2.00

The following statement shows the number of cars handled by The Belt Railway Company of Chicago in its "separate operations" annually during the past five years.

Year	Interchange		Local		Total Cars
	Loaded	Empty	Loaded	Empty	
1962	277,146	208,919	238,950	219,251	944,266
1963	255,583	218,099	255,816	228,199	957,697
1964	259,716	203,479	276,847	253,803	993,845
1965	251,157	173,723	281,556	258,992	965,428
1966	256,325	186,403	273,581	245,057	961,366

The following statement shows the number of cars interchanged during the last five years directly between Owner Roads at Clearing and other yards, being handled by the Belt Railway through those yards, also cars handled by Owner Lines in direct movement over The Belt Railway Company of Chicago.

Year	Number of Cars
1962	860,191
1963	900,475
1964	939,538
1965	988,325
1966	1,031,480

EQUIPMENT OWNED

	Number on Hand Dec. 31 1965	Changes During Year		Number on Hand Dec. 31 1966
		Added	Retired	
Locomotives:				
Diesel	46	3	3	46
Freight-train Cars:				
Caboose	30			30
Box	1			1
Total	31			31
Work Equipment:				
Flat cars	4			4
Gondola cars	2			2
Truck car	1			1
Refrigerator car	1			1
Instruction car	1			1
Wrecking derrick	1			1
Tool car	1			1
Commissary car	1			1
Burro crane	1			1
Total	13			13
Miscellaneous Equipment:				
Automobile trucks	21	4	3	22
Station wagon	1			1
Automobile trailer	2			2
4 Door sedan	3	1	1	3
Carryall	1			1
Total	28	5	4	29

MILEAGE OF TRACK OPERATED

	1966				
	First Main	Second Main	Other Mains	Yard Tracks and Sidings	Total
A - Owned by The Belt Railway Co., Cragin to South Chicago including Clearing Yard	27.16	25.60	-	302.44	355.20
B - Leased from other companies, Chicago, Peoria & Western (Argo)...	-	-	-	.52	.52
Clearing Industrial District (North)	-	-	-	12.89	12.89
Clearing Industrial District (South)	-	-	-	2.22	2.22
Total	-	-	-	15.63	15.63
C - Operated under trackage rights from other companies					
C. & W. I. R.R. Co.					
80th St. to Pullman Jct.	3.56	3.47	-	.03	7.06
Pullman Jct. to South Deering....	2.68	2.68	2.54	.38	8.28
South Deering to Burnham	4.76	4.76	.67	3.83	14.02
C.R.I. & P. Ry. - South Chicago ...	-	-	-	1.57	1.57
P.F.W. & C. Ry. - South Chicago ...	-	-	-	.09	.09
I.H.B.R.R. - 55th to Elsdon	1.41	1.40	-	-	2.81
B. & O.C.T.R.R. - Clearing to Proviso	9.05	8.09	-	13.70	30.84
B. & O.C.T.R.R. - Southwest Division (Cicero District)	-	-	-	6.08	6.08
N & W Railway - Ford Yd. & Lead	-	-	-	1.26	1.26
Calumet Western R.R.-112th to 116th.	.51	-	-	-	.51
Pennsylvania R.R. & I.H.B.R.R. (Joint) 116th to 117th	.11	-	-	-	.11
Chicago, West Pullman & Southern - South Chicago	-	-	-	.09	.09
Elgin, Joliet & Eastern Ry. - Burnham	-	-	-	.17	.18
Total	22.08	20.40	3.21	27.20	72.89
Total Miles Operated	49.24	46.00	3.21	345.27	443.72

*Trackage Rights Not Exercised.

YARD TRACKS OWNED BY THE BELT RAILWAY CO. BUT NOT OPERATED (Not included in above mileage)

Leased To	Location	Miles of Road
C.W.P. & S. R.R.	Warner Branch	1.46
C. & O. Ry. Co.	Rockwell St. Yard	10.91
Total		12.37

TRACAGE RIGHTS GRANTED OTHER COMPANIES

Company	Location	Miles of Road
I.H.B.R.R.	Elsdon Branch	1.51
E.J. & E.R.R.	South Chicago to Mill Gate & South Deering	3.40
Chicago Short Line..	South Chicago to South Deering	2.90
Total		7.81

REPORT OF AUDITOR

The statements included in this report have been prepared from records maintained under my supervision and to the best of my knowledge and belief set out the amounts shown in accordance with principles and methods of accounting prescribed or authorized by the Interstate Commerce Commission.

C. L. HOLT

Auditor

Chicago, Illinois

March 10, 1967

